

Date signed May 19, 2005



PAUL MANNES  
U. S. BANKRUPTCY JUDGE

**UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF MARYLAND  
at Greenbelt**

IN RE:	:	
	:	
DWIGHT M. SMARTT	:	Case No. 05-13204PM
NICOLETTE T. SMARTT	:	Chapter 13
	:	
Debtors	:	
-----	:	
DWIGHT M. SMARTT	:	
NICOLETTE T. SMARTT	:	
Movants	:	
vs.	:	
	:	
SUNTRUST MID-ATLANTIC BANK	:	
Respondent	:	
-----	:	

**MEMORANDUM OF DECISION**

This matter came before the court on the unopposed Motion to value a 2000 Mazda Millenia filed by the Debtors. The Motion was set for hearing following the Memorandum of the court entered April 21, 2005. The court was advised that the parties agreed to a valuation of \$10,745.00.

The court was concerned with two components of the valuation: (1) a repair contract and (2) a credit insurance contract. What was remarkable about the credit insurance contract was that the Debtors had paid \$2,221.27 for a joint credit life insurance policy. The policy was a decreasing term policy covering payments of \$594.24 a month for 59 months, and a balloon payment of \$9,198.40. It is unlikely that if the Debtors had shopped around they could have found a more expensive policy with fewer benefits. Counsel for SunTrust Bank was unable to

state the commissions earned on this consumer ripoff. In addition, the court is advised that if the automobile loan had been paid off prior to the end of its term, the Debtors would not have been entitled to any rebate on the unearned portion of the insurance.

Much has been stated by the credit industry in connection with obtaining passage of the Bankruptcy Abuse Prevention and Consumer Protection Act of 2005, but nothing was said to protect honest debtors from depredation such as that perpetrated by SunTrust Bank in this instance. Counsel for the Movants shall submit an appropriate order.

cc:

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Suntrust Bank, Attn: Support Services, Kenneth A.G. Reeves, Consumer Finance Officer  
P.O. Box 85092, Richmond, VA 23286

Nancy S. Grigsby, Trustee, P.O. Box 958, Bowie, MD 20718

Charles T. Hill, President and CEO, SunTrust Midatlantic Bank,  
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**End of Memorandum**